

**DR. PATRICK J. WOLF, DISTINGUISHED PROFESSOR OF
EDUCATION POLICY, UNIVERSITY OF ARKANSAS**

**WRITTEN TESTIMONY FOR THE FIELD HEARING ON "THE D.C.
OPPORTUNITY SCHOLARSHIP PROGRAM: MAKING THE AMERICAN
DREAM POSSIBLE"**

HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

FINAL VERSION, MAY 14, 2015

Chairman Chaffetz, Ranking Member Cummings, and Distinguished Members,

I am pleased to be with you today to discuss my professional judgment regarding the D.C. Opportunity Scholarship Program or OSP. I speak on behalf of myself as an independent scholar. My testimony does not necessarily represent any official positions of the University of Arkansas, which employs me, or the U.S. Department of Education or the Annie E. Casey Foundation, which provided financial support for the major studies that I will feature in these remarks.

My research teams have conducted most of the scientific evaluations of private school choice programs in the U.S., including longitudinal studies of publicly-funded programs in Washington, DC; Milwaukee, Wisconsin; and the state of Louisiana as well as privately-funded programs in DC; Dayton, Ohio; and New York City.

A private school choice policy is any government arrangement that helps to alleviate the cost of private schooling for children. A majority of the U.S. states now have such policies, as a total of 56 different private school choice policies exist in 28

states and the District of Columbia as of May 2015 (Exhibit 1).¹ Twenty-four of the programs use school vouchers or town tuitioning as the policy mechanism to promote private school choice, while 20 of the programs finance scholarships through government tax credits, 8 provide tax deductions or credits to individual parents, and 4 take the form of government-financed flexible Education Spending Accounts (Exhibit 2). All of these private school policies are “programs” in the sense that public resources are steered to groups of eligible students who wish to exercise school choice, with the exception of the 8 policies that are limited to personal tax deductions or credits paid to parents who already enroll their children in private schools. Thus, there are 48 private school choice *programs* in the U.S. Since 2000, the number of such programs has at least doubled every four years.

The DC OSP Evaluation

The federal law that established the OSP in 2004 also mandated that the U.S. Department of Education’s Institute of Education Sciences (IES) oversee an independent evaluation of its effects. The IES selected me through a competitive bidding process to lead that evaluation from 2004 to 2009, during the program’s original pilot period.

The OSP was over-subscribed in some grade ranges in 2004 and all grade ranges in 2005. Scholarships were awarded by lottery, with preference given to students who were attending “needs improvement” public schools. Since lotteries determined if eligible students did or did not receive an Opportunity Scholarship, we

¹ For a complete list of the policies, see the website of the Friedman Foundation for Educational Choice, <http://www.edchoice.org/School-Choice/School-Choice-Programs.aspx>.

were able to use a "gold standard" experimental research design to determine what impact the OSP had on participants. Because mere chance determined if a student received an offer of a scholarship or a spot in the control group, the subsequent outcomes from the control group signaled what would have happened to students in the OSP if they had not received a scholarship.

Quantitative Research Results

Students in our pioneering study graduated from high school at significantly higher rates as a result of the OSP. Specifically, the use of an Opportunity Scholarship increased the likelihood of a student graduating by 21 percentage points, from 70 percent to 91 percent (Exhibit 3).² In scientific terms, we are more than 99 percent confident that access to school choice through the OSP was the reason why students in the program graduated at these much higher rates and not some statistical fluke.

Students who applied to the program from public schools that had been labeled "in need of improvement" were the highest service priority of the OSP. They graduated at a rate that was 20 percentage points higher as a result of using a scholarship.

Mr. Chairman, as President Obama has so eloquently stated: "Graduating from high school is an economic imperative."³ Each additional high school graduate saves

² Patrick Wolf, Babette Gutmann, Michael Puma, Brian Kisida, Lou Rizzo, Nada Eissa, and Matthew Carr, *Evaluation of the DC Opportunity Scholarship Program: Final Report*, U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Washington, DC: U.S. Government Printing Office, NCEE 2010-4018, June 2010, pp. 41-41; Patrick J. Wolf, Brian Kisida, Babette Gutmann, Michael Puma, Nada Eissa, and Lou Rizzo, "School Vouchers and Student Outcomes: Experimental Evidence from Washington, DC," *Journal of Policy Analysis and Management*, 32(2), April 2013, pp. 246-270.

³ President Barack Obama, speech to the U.S. Chamber of Commerce, 2010 <http://www.uschamberfoundation.org/newsletter-article/president-obama-champions-education-us-chamber-commerce>.

the nation an average of \$260,000 due to increased taxes on higher lifetime earnings and lower law-enforcement and welfare costs.⁴ Thus, the 449 additional high school graduates due to the operation of the OSP during its pilot produced a return on investment of \$2.62 for every dollar spent.⁵

The DC OSP is not the only private school choice program to demonstrate a clear and dramatic impact on boosting educational attainment. My research team similarly found that the Milwaukee Parental Choice Program significantly increased the rates of high school graduation, college enrollment, and persistence in college for the low-income students participating in our nation's oldest urban private school choice program.⁶

For the Milwaukee study we had access to both school administrative data and parent self-reports about graduation. Ms. Gallagher, in her testimony, questioned the accuracy of the parent self-reports of graduation used in our DC OSP evaluation.⁷ In Milwaukee, parent self-reports differed from administrative records for only 2 percent of the students in our study, validating that parents are honest and accurate in reporting whether or not their child has graduated from high school.⁸

⁴ Henry Levin, Clive Belfield, Peter Muennig, and Cecilia Rouse. *The costs and Benefits of an Excellent Education for All of America's Children*, Teachers College, Columbia University, January 2007.

⁵ Patrick J. Wolf and Michael McShane, "Is the Juice Worth the Squeeze? A Benefit/Cost Analysis of the District of Columbia Opportunity Scholarship Program," *Education Finance and Policy*, 8(1), Winter 2013, pp. 74-99.

⁶ Joshua M. Cowen, David J. Fleming, John F. Witte, Patrick J. Wolf, and Brian Kisida, "School Vouchers and Student Attainment: Evidence from a State-Mandated Study of Milwaukee's Parental Choice Program," *Policy Studies Journal*, 41(1), Winter 2013, pp. 147-167.

⁷ "Statement of Megan Gallagher, Senior Research Associate, Urban Institute, accessed on May 22, 2015, from <http://oversight.house.gov/wp-content/uploads/2015/05/5-14-2015-Full-Committee-Field-Hearing-on-OSP-Gallagher1.pdf>.

⁸ Joshua M. Cowen, David J. Fleming, John F. Witte, and Patrick J. Wolf, *Student Attainment and the Milwaukee Parental Choice Program*, Report of the School Choice Demonstration Project, University of Arkansas, Fayetteville, AR, March 2011, Milwaukee Evaluation Report #24.

Finally, researchers at Harvard University and the Brookings Institution determined that a privately-funded K-12 scholarship program in New York City significantly increased the rate at which African American and immigrant students enrolled in college.⁹ Increasingly and consistently, whether based on parental self-reports or school administrative data, researchers are finding that private school choice programs like the OSP enable students to go farther in school.

Evidence that students achieved higher test scores due to the OSP was only consistently conclusive in reading and for three subgroups of students, namely females, students with relatively higher performance at baseline, and students transferring from better-performing public schools.¹⁰ The positive impact of the OSP on student reading scores for the entire sample was statistically significant, with over 95 percent confidence, in the third year of our evaluation.¹¹ Our final year estimation of the program's impact on reading scores was less precise, however, as several hundred students graduated out of the testing sample that year. As a result, our test for statistical significance of the reading impacts slipped to 94 percent confidence in the final year of our study. That rating of 94 percent confidence was just below the 95 percent threshold we had set as a high bar for absolute certainty in our statistical findings.

⁹ Matthew M. Chingos and Paul E. Peterson. "Experimentally Estimated Impacts of School Vouchers on College Enrollment and Degree Attainment", *Journal of Public Economics*, 122, February 2015, pp. 1-12.

¹⁰ Patrick Wolf, Babette Gutmann, Michael Puma, Brian Kisida, Lou Rizzo, Nada Eissa, and Matthew Carr, *Evaluation of the DC Opportunity Scholarship Program: Final Report*, U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Washington, DC: U.S. Government Printing Office, NCEE 2010-4018, June 2010, pp. 38-39.

¹¹ Patrick Wolf, Babette Gutmann, Michael Puma, Brian Kisida, Lou Rizzo, and Nada O. Eissa, *Evaluation of the DC Opportunity Scholarship Program: Impacts After Three Years*, U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Washington, DC: U.S. Government Printing Office, NCEE 2009-4050, March 2009.

Our test score findings, that the OSP clearly boosted test scores consistently for some subgroups but not necessarily others, overall in some years but not others, and in one educational domain (reading) and not the other (math) is roughly consistent with what most other rigorous private school choice evaluations have found (Exhibit 4). Of 29 findings from 12 “gold standard” evaluations of publicly- or privately-funded choice programs, 13 of them are of statistically significant positive impacts of the program on test scores while the other 16 are of no significant difference between the outcome scores of the scholarship group and the control group. None of the findings from experimental analyses so far have shown that providing students with access to private school choice significantly reduces their test scores in any educational domain.

Parents were more satisfied with their child's school as a result of the OSP. The impact of using a scholarship was to increase the likelihood of a parent grading their child's school “A” or “B” by 12 percentage points.¹² Parents also significantly and consistently viewed their child's school as safer as a result of the program, although the students themselves did not report significantly different levels of school satisfaction or safety as a result of the program.

Ms. Gallagher, in her testimony, cited a 2008 study in claiming that “there is no conclusive support that vouchers drive improvements in public schools.”¹³ That study is outdated. A much more recent study by Dr. Anna Egalite, published in a peer-reviewed journal in 2013, systematically reviewed 21 empirically rigorous studies of the effects of

¹² Brian Kisida and Patrick J. Wolf, “Customer Satisfaction and Educational Outcomes: Experimental Impacts of the Market-Based Delivery of Public Education,” *International Public Management Journal*. On-line first at <http://www.tandfonline.com/doi/pdf/10.1080/10967494.2014.996629#.VRV84OGgs8A>.

¹³ “Statement of Megan Gallagher, Senior Research Associate, Urban Institute, accessed on May 22, 2015, from <http://oversight.house.gov/wp-content/uploads/2015/05/5-14-2015-Full-Committee-Field-Hearing-on-OSP-Gallagher1.pdf>, p. 3.

competition from private school choice programs on student achievement in affected public schools. She concludes that, “All but one of these 21 studies found neutral/positive or [exclusively] positive results.”¹⁴ The one empirical study that found no positive competitive effects from a private school choice program was a study of the first year of the OSP, when participation in the program was modest and public schools were allowed to keep all of the funding for students who left their schools to attend private schools. Egalite concludes that “The absence of a positive competition effect is thus unsurprising given these design features.”¹⁵

Qualitative Research Results

The official government evaluation of the OSP was limited to statistical analyses of the average effects of the program, for the entire sample of students and for key subgroups. Policymakers and the public might also be interested in qualitative information about how participants experienced the OSP and how it might have changed them in ways not captured by overall statistics. To provide such information, the Annie E. Casey Foundation funded a qualitative study of the OSP from 2004 to 2009 that was led by Dr. Thomas Stewart and me. We followed 110 families with children who received scholarship offers, learning about their lived experiences in the program through a series of focus group sessions and individual interviews.

¹⁴ Anna J. Egalite, “Measuring Competitive Effects From School Voucher Programs: A Systematic Review,” *Journal of School Choice* 7(4), 2010, p. 452.

¹⁵ *Ibid.*, p. 453.

Our qualitative study produced five main findings.¹⁶ First, there is strong desire for parental school choice among families who lack it, such as the low-income residents of Washington, DC. Second, parents rationally seek more fundamental needs, such as safety, for their children before focusing on academics. Third, parents use student behavior, not test scores, to gauge student progress in school. In fact, when we asked our largest focus group of 39 parents what information they use to assess their child's performance in school, not a single respondent chose "Performance on Standardized Tests", even though that was offered as a response category. Fourth, program implementers need to anticipate that choice will be challenging for under-resourced families and assist them in their school search without taking the choice out of their hands.

The fifth finding from our qualitative study, and the most important one, was based on what happened after our focus groups ended in 2009. Later that year, Congress closed the OSP to new students and reduced its' funding, leading the U.S. Department of Education to revoke 210 recently awarded scholarships. The OSP parents rose up in peaceful protest, participating in rallies, writing letters to Congress, and testifying at hearings like this one, to save the program. Ultimately they triumphed, as the OSP was reauthorized and expanded in 2011 with passage of the Scholarships for Opportunity and Results (SOAR) Act.¹⁷ This final lesson of our qualitative study of the OSP inspired the title of our book: *The School Choice Journey: School Vouchers and the Empowerment of Urban Families*.

¹⁶ Thomas Stewart and Patrick J. Wolf, *The School Choice Journey: School Vouchers and the Empowerment of Urban Families* (New York: Palgrave Macmillan, 2014).

¹⁷ SOAR Act – S.206, 2011, <https://www.congress.gov/bill/112th-congress/senate-bill/206>.

Conclusion

As private school choice programs continue to proliferate across the United States, it remains important for us to consider what differences they make in the lives of students and parents. The research record from the carefully studied pilot period of the DC OSP is filled with good news. Students graduated from high school at much higher rates due to the use of a scholarship. The program appears to have had a positive effect on student reading test scores, though we can only have a high level of confidence about that impact for certain subgroups of students. Parents have been empowered by the OSP and report that their children are in better and safer schools.

Thank you Mr. Chairman and Members of the Committee for this opportunity to share my professional expertise with you. I am happy to answer questions.

Exhibit 1.

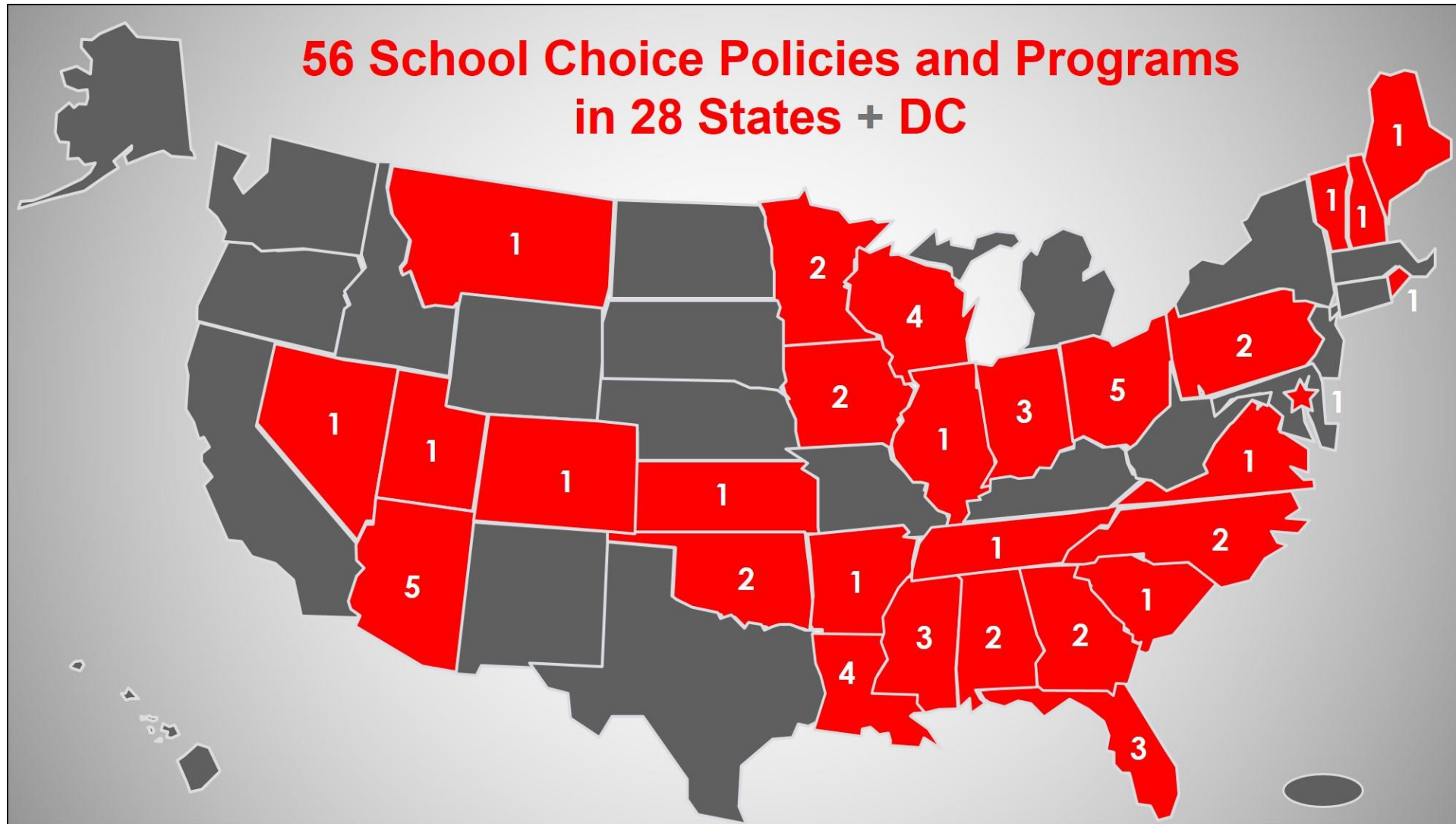


Exhibit 2. Private School Choice Policies in the U.S. as of May 2015, by Policy Type

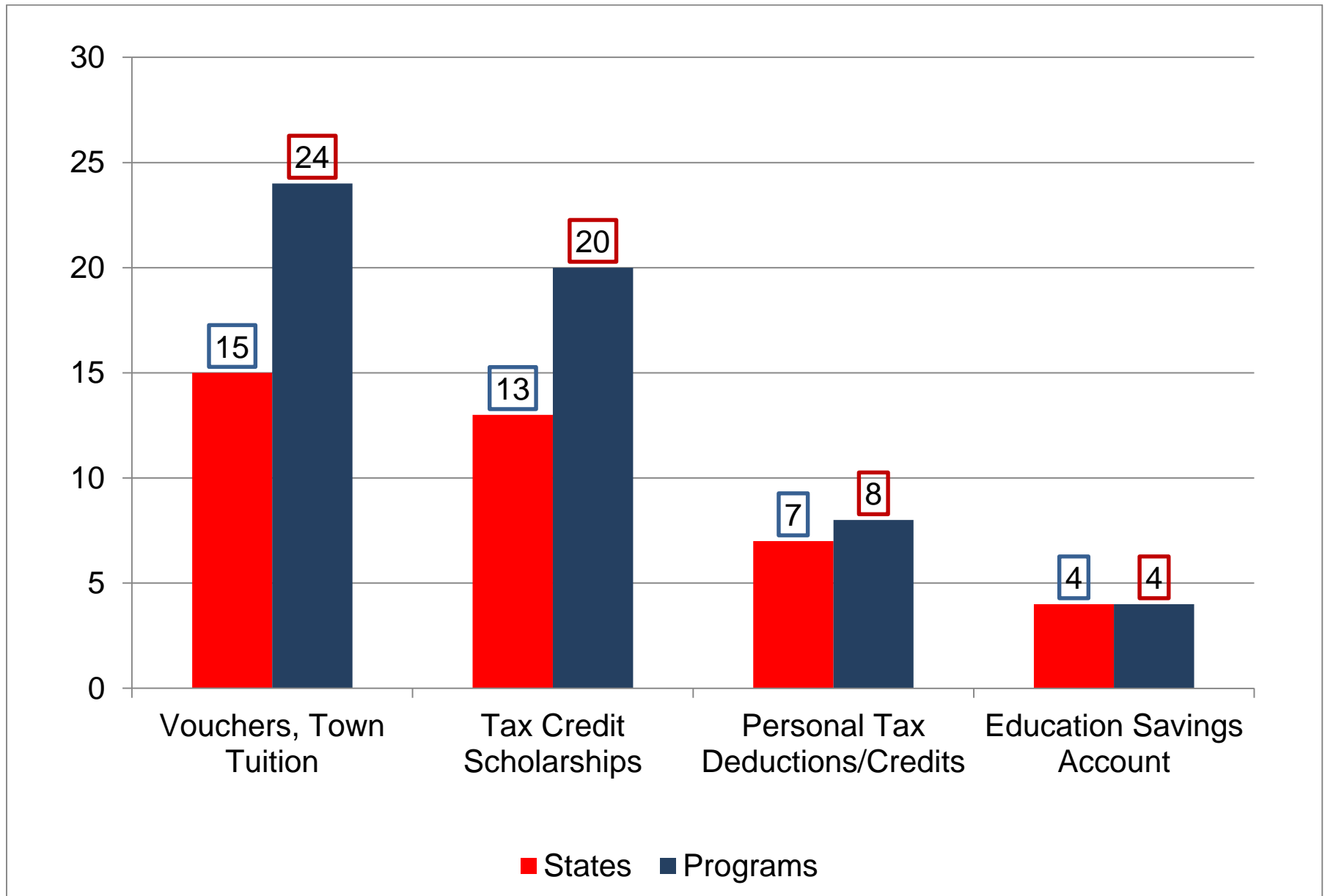
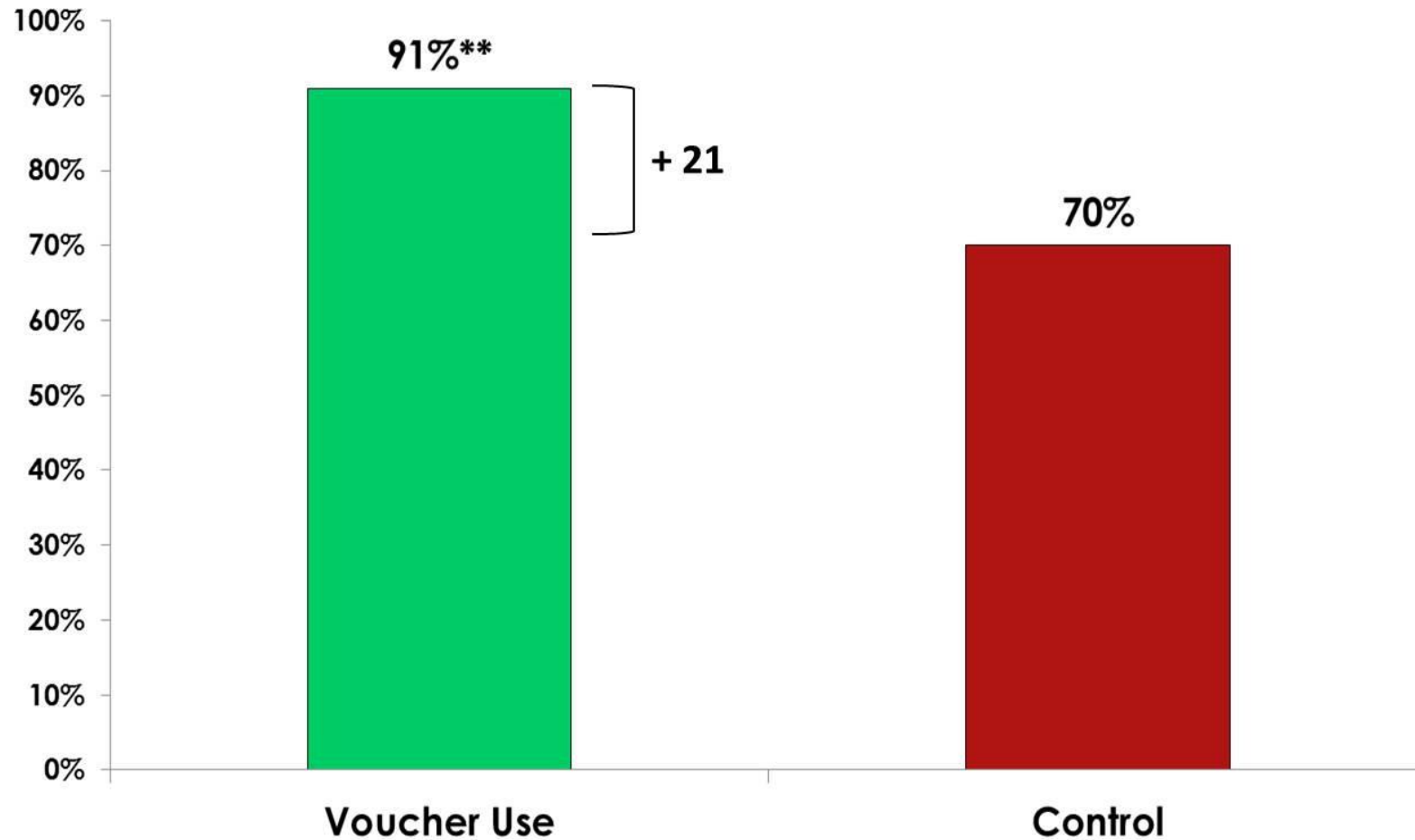


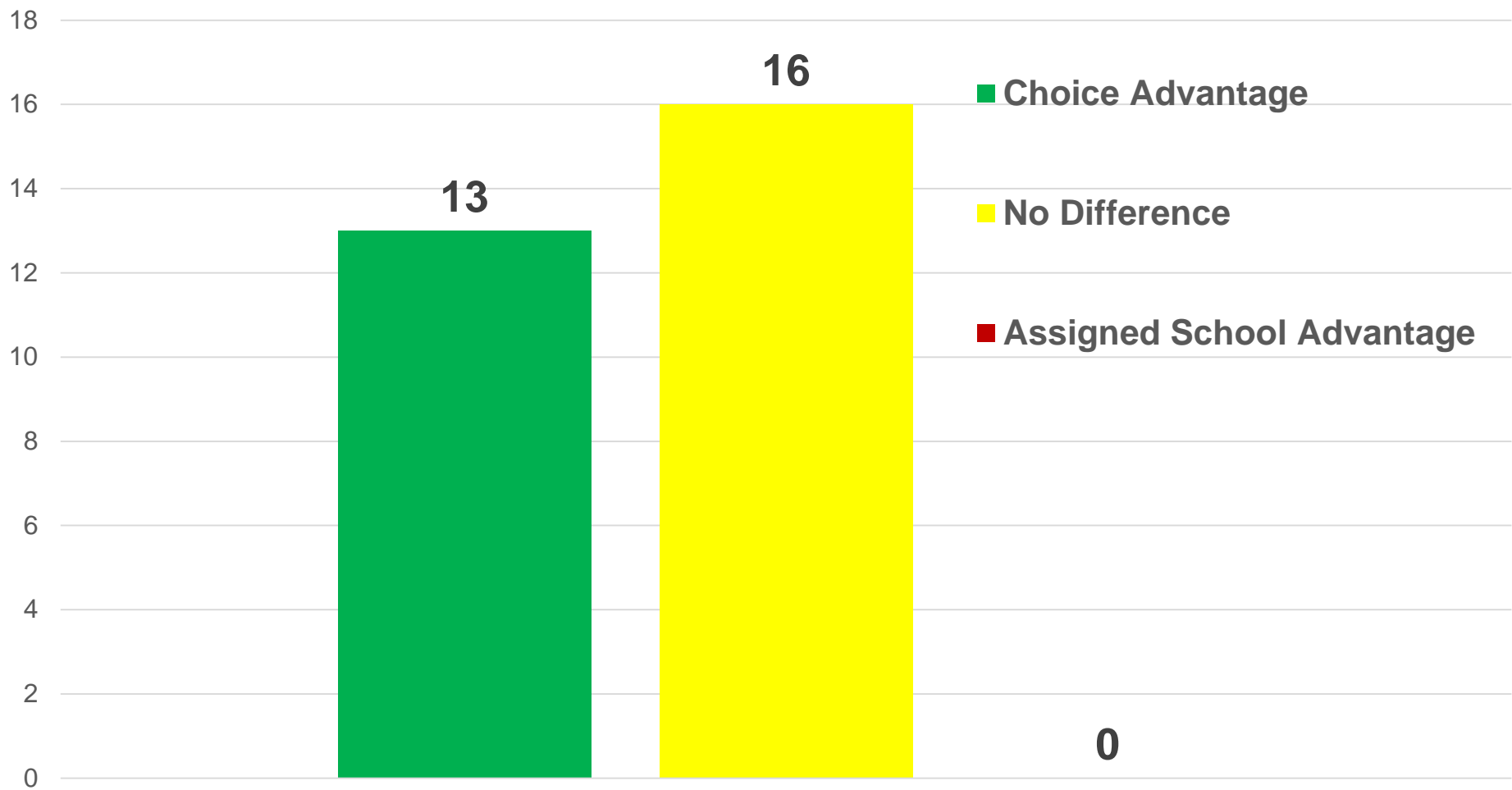
Exhibit 3. Higher High School Graduation Rates from Use of a DC Opportunity Scholarship



**Means the higher level is a statistically significant difference with 99 percent confidence.

SOURCE: Patrick Wolf, Babette Gutmann, Michael Puma, Brian Kisida, Lou Rizzo, Nada Eissa, and Matthew Carr, *Evaluation of the DC Opportunity Scholarship Program: Final Report*, U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Washington, DC: U.S. Government Printing Office, NCEE 2010-4018, June 2010, pp. 41-41.

Exhibit 3. All Test Score Impact Findings from 12 Experimental Evaluations of Private School Choice in the U.S.



SOURCES: Barnard, John, Constantine E. Frangakis, Jennifer L. Hill, and Donald B. Rubin. 2003. "Principal Stratification Approach to Broken Randomized Experiments: A Case Study of School Choice Vouchers in New York City," *Journal of the American Statistical Association* 98: 299–323. Cowen, Joshua M. 2008. "School Choice as a Latent Variable: Estimating the 'Complier Average Causal Effect' of Vouchers in Charlotte," *Policy Studies Journal* 36: 301-315. Greene, Jay P. 2001. "Vouchers in Charlotte," *Education Matters* 1: 55-60. Greene, Jay P., Paul E. Peterson, and Jiangtao Du. 1999. "Effectiveness of School Choice: The Milwaukee Experiment." *Education and Urban Society*, 31: 190-213. Howell, William G., Patrick J. Wolf, David E. Campbell, and Paul E. Peterson. 2002. "School Vouchers and Academic Performance: Results from Three Randomized Field Trials," *Journal of Policy Analysis and Management* 21: 191-217. Hui Jin, John Barnard, and Donald Rubin, "A Modified General Location Model for Noncompliance with Missing Data: Revisiting the New York City School Choice Scholarship

Program using Principal Stratification,” *Journal of Educational and Behavioral Statistics*, April 2010. Krueger, Alan B., and Pei Zhu. 2004a. “Another Look at the New York City School Voucher Experiment,” *The American Behavioral Scientist* 47: 658–698. Rouse, Cecilia E. 1998. “Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program,” *The Quarterly Journal of Economics* 113: 553-602. Patrick J. Wolf, Brian Kisida, Babette Gutmann, Michael Puma, Nada Eissa, and Lou Rizzo, [School Vouchers and Student Outcomes: Experimental Evidence from Washington, DC](#),” *Journal of Policy Analysis and Management*, 32(2), April 2013, pp. 246-270.